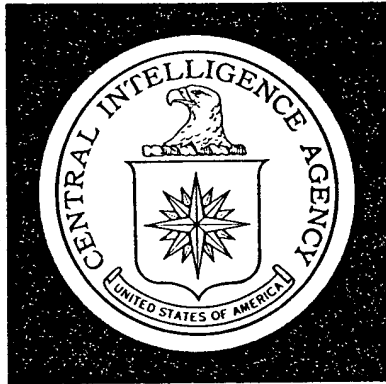


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DIRECTORATE OF  
INTELLIGENCE

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# Intelligence Memorandum

*Military and Economic Considerations Behind  
the Soviet Interest in Strategic Arms Talks*

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CENTRAL INTELLIGENCE AGENCY  
Directorate of Intelligence  
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INTELLIGENCE MEMORANDUM

Military and Economic Considerations Behind  
The Soviet Interest in Strategic Arms Talks

Summary

The Soviet decision to begin strategic arms limitation talks with the United States marks a point of convergence for widely differing views within the Kremlin leadership on internal economic goals, military force structure, and the use of military power.

Central to the disagreement is the prospect that the relationship of Soviet to US strategic capabilities--which the Soviets have improved in the past few years through expensive weapons development and deployment programs--will erode in the 1970's as the US implements widely publicized plans for improving its strategic weapons. There is probably considerable doubt within the ruling Politburo about the technical prospects and economic effects of trying to counter these developments at this time with new weapons programs.

Basic policy controversies may be sharpened as Soviet leaders attempt to formulate positions to be taken in the talks and decide what to do with the freed resources after an arms limitation agreement. Some Politburo members probably hope to divert resources from strategic arms to investment programs. A freeze on deployment of strategic

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weapons could eventually release as much as 2½ billion rubles a year--equivalent to 13 percent of the total investment in industry in 1967--for other objectives, such as economic growth or an increase in funds for consumer welfare. It is also possible that strong elements within the Politburo see the prospect of stabilizing the strategic arms race as an opportunity to improve Soviet conventional forces and make them a more flexible and responsive arm of political power.

The military has not publicly placed its stamp of approval on the talks. On the contrary, it has continued to stress the theme of international dangers and the concomitant requirement for strengthened Soviet defenses. There are, moreover, signs of a debate in military circles whether to pursue further improvements in strategic capabilities or to settle for a stable strategic relationship and broaden the capabilities of the conventional forces.

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The Kremlin View of the Future US-Soviet Strategic Relationship

1. Recent decisions in the US concerning the Sentinel ABM system probably were read by Soviet leaders as indicating that the US is willing to continue the strategic arms race despite pressures for economizing. On 27 June, Foreign Minister Gromyko included in his address to the Supreme Soviet a statement of Soviet readiness to hold arms control talks.\* This was followed the next week by a nine-point disarmament proposal by Premier Kosygin.

2. While the USSR currently is in the final stages of its third-generation ICBM deployment and has an effective deterrent, this capability will begin to erode in the early 1970's if Moscow does not match announced US plans for upgrading its strategic defense and attack capabilities with the Sentinel, Poseidon, and Minuteman III programs. The USSR will have to improve its strategic forces substantially--qualitatively or quantitatively--to maintain its current position relative to the US.

3. What is probably most ominous to the Soviet authorities is that planned US force improvements may threaten the Soviet capability for deterrence. Thus they are faced with the possibility that despite all their planning, effort, and spending on strategic forces over the last 20 years, they will still have reason to be dissatisfied with the future strategic relationship.

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\* Movement on the decision to enter into strategic arms talks was first presaged in Deputy Foreign Minister Kuznetsov's 26 April UN proposal for limitation and subsequent reduction of strategic arms. Soviet media remained silent on Kuznetsov's proposal until he reiterated the line for arms limitations in another UN speech on 20 May. Gromyko's 27 June acceptance of US proposals to talk was promptly published in the Soviet press, with the notable exception of the military press--an indication that important pressure groups within the military had not become reconciled to the Soviet policy change over the previous two months.

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Guns or Growth: Alternative Uses of Economic Resources

4. Given such strategic considerations alone, Soviet leaders could have come to the conclusion that they had much to gain by breaking the 18-month period of indecision on accepting US proposals for talks on strategic arms limitations. The Politburo as a whole, however, probably opted for talks at this time because of divergent policy views reflecting still unresolved controversies regarding internal economic goals, military force structure, and the utility of various forms and levels of military power. Indeed, basic policy issues may be sharpened as political leaders struggle to form a consensus on a coherent negotiating position while proposals for arms control unfold.

5. Even the announcement of Soviet willingness to negotiate has exposed differences of opinion among leading spokesmen and interest groups. The government organ Izvestiya has endorsed the arms control initiatives contained in the speeches of Foreign Minister Gromyko and Premier Kosygin. Party chief Brezhnev endorsed the talks on 3 July, but qualified his approval at the 8 July military graduates' assembly when he reasserted the military spenders' line that "as long as imperialism exists" the socialist countries will take "every measure to strengthen their defense." The military press has chosen to highlight the harsher aspects of Brezhnev's line, while remaining silent on the desirability of arms limitations.

6. One issue likely to be divisive among the top Soviet leaders is the matter of where to re-allocate any resources freed by an agreement. Owing to the vagaries of Kremlin politics, there is no basis for predicting exactly how the Soviet leadership might utilize the resources released by an agreement to limit the expansion of strategic forces.

7. It is possible that among those Politburo members who favor negotiations, strong elements see stability in strategic armaments, if achievable, as an opportunity to turn conventional military

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forces into a more flexible, efficient arm of political power. Strategic power, nevertheless, appears to hold top priority among these men, some of whom may press for continued qualitative upgrading of the existing strategic forces and an intensification of research and development on new weapon systems. Some Politburo members may not seriously expect that talks would, over the long run, be successful in stabilizing matters. But in the short run, the Politburo as a whole probably has serious reservations about the technical and economic desirability of countering currently programmed US weapons improvements. The majority could thus regard strategic arms talks at this time as a way, at the least, of exploring the US position and seeking to delay US programs at little cost to the USSR.

8. Another group within the Politburo--the more ardent advocates of economic growth--can make a strong case for a major reallocation from defense to the civilian economy at the present time. Increases in consumer welfare, coming on top of expanded military expenditures, are necessarily being accomplished at the expense of investment. The Soviet leadership is thus running the risk of slowing down the rate of economic growth, that is, of impairing future capacity for supporting military as well as civilian programs. Moreover, the substantial increases in defense spending that would be necessary to halt the erosion of the present Soviet strategic position would almost certainly cause long-term economic problems.

9. A precise calculation of the potential savings of any contemplated arms control agreement cannot be made until the detailed terms of the agreement are available. A general appreciation of the possible savings can be obtained, however, by examining the estimates of future Soviet expenditures for the deployment and operation of certain strategic weapons systems--long range bombers, strategic missile and space systems, ballistic-missile submarines, and the ABM--and assuming that there would be a complete moratorium on further deployment of these systems. Under these conditions, the Soviets could reduce expenditures on the average about 2.5 billion rubles a year for the period of

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the early 1970's. This calculation assumes that the Soviets maintain their current high levels of expenditures for research and development, space efforts, and nonstrategic defense programs.

10. The allocation of the presumed savings in defense expenditures to industrial investment programs would provide a base for accelerated growth in the economy--2.5 billion rubles representing about 13 percent of total Soviet investment in industry in 1967. Since these particular resources include the best managerial and technical talents available, their contribution to the sorely needed modernization of the Soviet economy would probably be even greater than indicated by monetary measures alone.

The Military Debate: Strategic Power Versus Usable Power

11. The professional military may have different considerations in mind. In fact, they seem to be of at least two minds on the goals to be sought: one, to pursue a costly attempt to attain a "massive retaliation," or even a first strike, capability; two, to settle for a stable strategic relationship through an arms limitation agreement and to refurbish and expand conventional capabilities to permit more flexible application of military power. Perhaps the division within the military leadership--in conjunction with the other considerations mentioned earlier--facilitated the decision to discuss arms limitations at this time.

12. At any rate, future force structure discussions within the Soviet military have recently carried a particularly polemical tone. For example, Colonel I. Grudinin writing in the late May 1968 issue of Communist of the Armed Forces referred to "certain authors" who fail to emphasize the necessity for "overwhelming" strategic superiority. In contrast to Grudinin-like arguments, Colonel General Povaliy, the planning chief on the Soviet General Staff, had noted two months earlier that overwhelming strategic superiority--or "massive retaliation"--had become "quite unrealistic and unconvincing."

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13. The Povaliy article, in the 12 March Red Star, observed that NATO and the United States endorse the policy of fighting future wars with the weapons that "correspond to the nature of the possible clash." It went on to stress that the "imperialists" will continue to try to achieve their goals with the use of only conventional weapons or tactical nuclear weapons. Under the concept of more flexible options, according to Povaliy, a state need not run the risk of nuclear war "in every situation in which its allies become involved" and can pursue its own military-political objectives with the least threat to its security.

14. Certain military leaders are wary of the current trend in Soviet doctrine toward rejection of the "massive retaliation" doctrine as the cornerstone of Soviet strategy. They have argued that the use of conventional forces does not undermine the reliance on nuclear weapons. The development of strategic attack forces, in their view, must continue to command priority. Advocates of this "massive retaliation" view remain a strong force within the Soviet military. [redacted]

[redacted] that "old Russian generals [redacted] cling to a strategy of immediate all-out nuclear retaliation, uninfluenced by any of the recent military doctrines advanced in the US and elsewhere.

15. One well-known old Russian marshal, the late V. D. Sokolovskiy, was a proponent of strong strategic nuclear forces. His book Military Strategy, reissued late last year, reflected the view that any war between nuclear powers will "inevitably" escalate into a general nuclear conflict. The initial period of war will be decisive, the marshal claimed. He added that the Soviet Union will be able to detect preparations for a "surprise nuclear attack" and must have the means to deal the enemy a "crushing blow of decisive significance."

16. Sokolovskiy's views appear to be under attack within the military establishment by advocates of a flexible-response strategy. One such advocate mentioned above, Colonel General Povaliy, remarked

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[redacted] that Sokolovskiy's  
Military Strategy was "obsolete," explaining  
that Soviet strategy has no label but that the  
Soviet Union is "ready to meet whatever the situ-  
ation requires."

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